6/15/87 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 5 MAY 1987

PAPER AND PAPERBOARD PRODUCTION: HOLDING STEADY AT HIGH LEVELS

The seasonally adjusted rate of paper and paperboard production in April 1987 held close to the first quarter rate of 72 million tons per year. The four-month totals showed paper, at 35.7 million tons per year, 2.5% ahead of its year-earlier level; paperboard, at 36.7 million tons per year, up 5.7%.

PAPER TRENDS

Among the paper grades, the major gains were evident in the printing-writing and other packaging and industrial converting grades. In the first four months of 1987, total printing and writing paper shipments rose 4% from their year-ago level, while the other packaging papers showed a 9% increase. (See table on page 3.)

Shipments of coated papers were particularly strong in this period, rising 7.9% from their year-ago level. Further, new orders for coated papers surged sharply upward in April and early May, bringing unfilled orders to their highest level for the year. Most of the gain stemmed from the strong demand for these papers from commercial printers and label and wrap manufacturers. Coated paper demand by magazine and book publishers held close to their year-ago levels, while shipments to other periodicals increased moderately.

Along with the increase in demand for domestically-produced coated papers, imports also advanced, rising 29% from their year-ago level during the first three months of this year, to account for about 8% of the total new supply. Most of the increase in foreign supplies came from Canada. Exports of coated papers held close to their year-ago level during the first quarter.

Shipments of uncoated free sheet papers, at 10.6 million tons per year, were ahead of their year-ago total. The 1986 and year-to-date 1987 data on shipments of these papers have been revised slightly downward, reflecting a shift of photographic papers to the special industrial papers category (included with other papers in the table on

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page 3). Shipments of the other printing-writing papers were also revised slightly, reflecting the results of the Printing-Writing Paper Division's annual re-survey of these shipments.

Demand for uncoated free sheet papers in office reprographics applications was particularly strong during early 1987, with solid, but somewhat smaller gains evident in demand by commercial printers and business forms converters. Imports, at 407,000 tons per year, were down, with the first quarter 1987 total some 16% below its year-ago level. Exports, at 35,000 tons per year, showed a 6% gain.

Among the remaining grades, newsprint and tissue paper production held rather close to their year-ago levels, but production of kraft papers declined by 4.4%. The setbacks were concentrated in the bag and sack markets; shipments of unbleached kraft multiwall bag papers gained 10%, moving to a three-year high. At the same time, both imports and exports of kraft papers have been rising: at 166,000 tons per year, imports gained 11% from their year-ago level in the first quarter of 1987, while exports, at 85,000 tons per year, rose 33%.

PAPERBOARD TRENDS

The gains in paperboard production were distributed throughout the grade structure. In market terms, demand for containerboard for domestic use rose by 5.8%, reflecting the strong demand for corrugated shipping containers. Inventories of containerboard at mills and plants fell further during April, with the total representing about 5.1 weeks of supply, which is near its historical lower range.

Exports of paperboard, at 3 million tons per year, gained 10% over their year-ago rate during the first four months of 1987, with the gains concentrated in semichemical, bleached and recycled paperboard. Production of kraft linerboard for export, at 2.1 million tons per week, gained 2.1%. In tonnage terms, the major increase was in solid bleached paperboard exports. At a record-high 619,000 tons per year, production of these grades for export was 25% above its year-ago rate.

Total production of boxboard for domestic use rose by only 2.9% through April, production of both solid bleached and recycled folding boxboard for domestic use showed an impressive 7% gain. However, output of both set-up and milk carton and food service paperboard declined.

TOTAL DEMAND FOR PAPER AND PAPERBOARD

The total new supply of paper and paperboard ran at an annual rate of about 80 million tons during the first quarter of 1987, 4.8% ahead of its year-ago rate. This

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

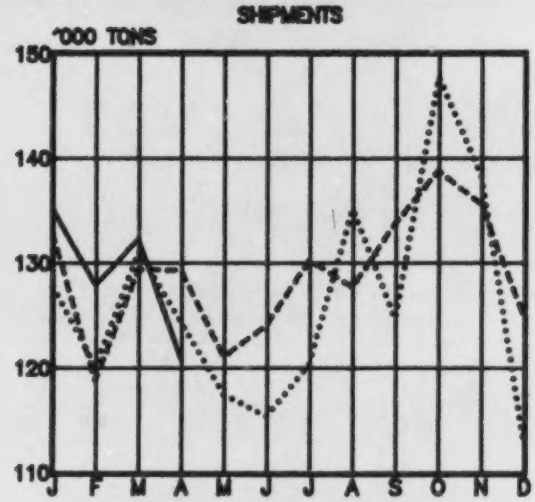
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1985	YEAR 1986	JAN 1987 (R)	FEB 1987 (R)	MAR 1987 (R)	APRIL 1987 (P)	Annual Rate Y-T-D 1987	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,428	5,630	490	441	475	462	5,605	1.7
- Shipments	5,417	5,638	471	443	487	472	5,618	4.2
Printing & Writing Sum (R)	18,471	19,642	1,695	1,603	1,719	1,670	20,059	4.0
Groundwood Paper - Shipments (R)	1,516	1,547	135	128	132	121	1,549	1.2
- New Orders (R)	1,477	1,560	138	111	149	106	1,512	-1.7
-Unfilled Orders (R)	106	125	125	109	127	114	114	0.1
Coated Papers Shipments (R)	5,875	6,263	568	529	546	539	6,547	7.9
- New Orders (R)	5,642	6,334	553	524	526	553	6,467	5.0
- Unfilled Orders (R)	393	469	462	454	429	444	444	6.2
Unctd Free Sheet - Shipments (R)	9,750	10,440	878	833	922	892	10,575	2.7
- New Orders (R)	9,704	10,515	850	842	903	878	10,418	-0.3
- Unfilled Orders (R)	509	589	566	570	546	535	535	-5.1
Thin Papers - Shipments	263	247	20	20	20	20	240	-6.6
Cotton Fiber Paper - Shipments	144	152	13	13	15	12	161	4.4
Bleached Bristols - Production	924	993	81	80	84	85	988	-0.3
Tissue Paper - Production	4,941	5,095	439	414	435	404	5,076	-0.2
Total Packaging & Other Paper	5,202	5,174	458	415	445	424	5,227	0.3
Unbl. Kraft Paper - Shipments	3,403	3,304	280	260	274	265	3,234	-4.4
Other Paper - Production	1,799	1,870	178	156	171	159	1,993	9.1
TOTAL PAPER-Production-Unadj.	34,042	35,541	3,083	2,874	3,073	2,960	35,968	2.5
-Production-S.A.			3,022	2,993	2,911	2,966	35,674	2.5
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,359	2,409	2,206	2,440	2,308	28,089	5.5
Total Unbl. Kraft Paperboard	16,368	17,694	1,546	1,424	1,559	1,482	18,035	5.3
Unbl. Kraft Linerboard (1)	15,183	16,390	1,436	1,310	1,422	1,368	16,610	5.1
Production for Export	1,830	2,079	172	165	173	184	2,083	2.1
Other Unbl. Kraft Paperboard	1,184	1,304	110	114	137	114	1,425	8.9
Semichemical Paperboard	5,088	5,373	481	439	491	460	5,614	7.5
Production for Export	189	212	16	19	13	18	199	9.0
Solid Bleached Paperboard	3,948	4,293	382	343	390	366	4,440	3.5
Production for Export	466	513	48	46	59	54	619	24.8
Recycled Paperboard	7,630	8,143	735	689	754	741	8,756	6.5
Production for Export	26	25	2	12	13	13	123	364.8
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,503	3,144	2,895	3,194	3,049	36,845	5.7
- Containerboard Prod.(Dom. Use)	20,042	21,558	1,906	1,731	1,916	1,801	22,061	5.8
- Boxboard Prod.(Dom. Use) (2)	5,673	5,938	552	482	534	513	6,241	2.9
- All Other P'bd Prod.(D.U.) (2)	4,808	5,180	448	439	486	467	5,520	6.2
- Total Paperbd Prod. for Export	2,511	2,827	237	242	259	269	3,024	10.2
TOTAL PAPERBOARD PROD.- S.A.			3,122	3,084	2,984	3,040	36,693	5.7
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,076	71,044	6,226	5,768	6,267	6,009	72,813	4.1
Production - S.A.			6,144	6,077	5,895	6,006	72,367	4.1

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

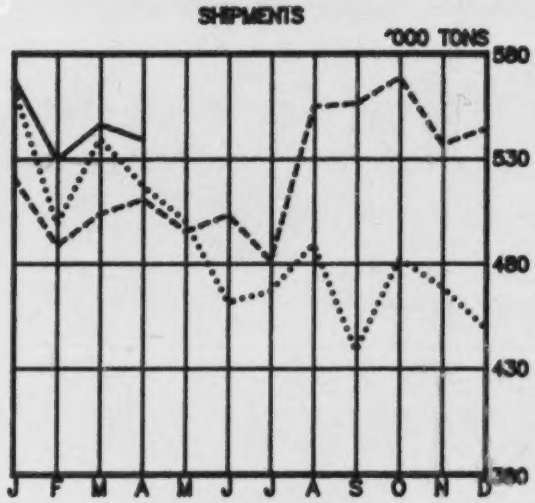
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



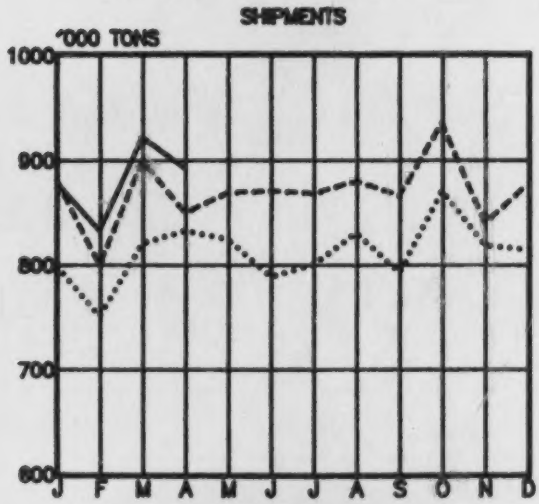
COATED PAPER

SHIPMENTS



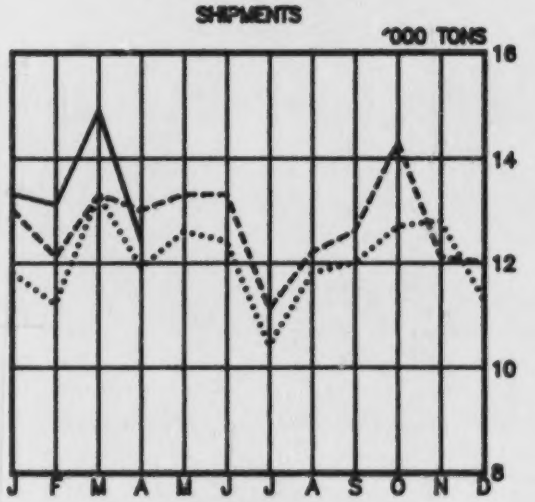
UNCOATED FREE SHEET PAPERS

SHIPMENTS



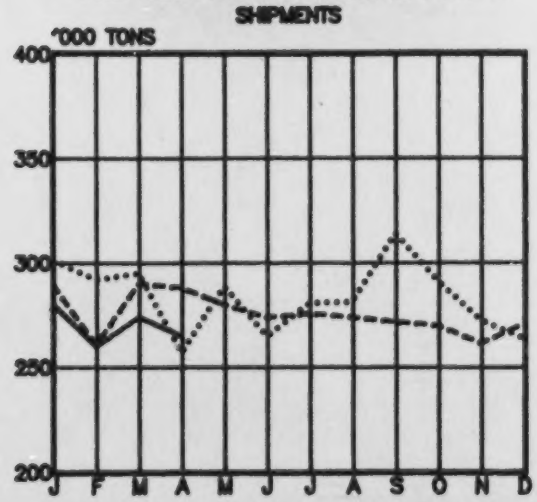
COTTON FIBER PAPER

SHIPMENTS



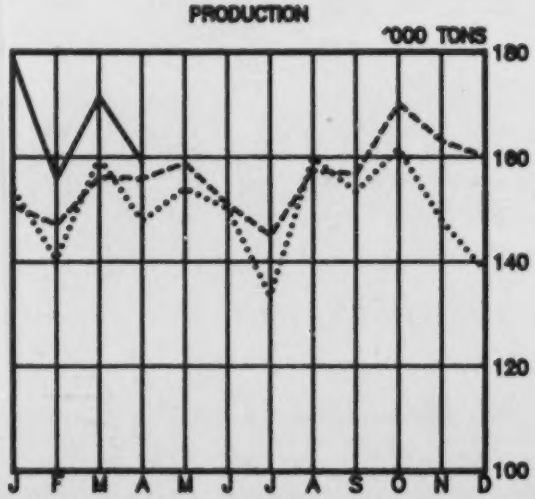
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	DECEMBER 1986	JANUARY 1987	FEBRUARY 1987	MARCH 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	54,147	57,268	4,926	5,082	4,621	5,031	58,934	4.6
- Imports	4,466	4,582	295	443	392	447	5,125	16.1
- Exports	3,791	4,458	409	306	372	471	4,598	2.3
- New Supply	54,821	57,392	4,812	5,218	4,640	5,007	59,461	5.6
Dissolving Pulp - Production	1,174	1,258	122	108	98	114	1,282	3.2
- Imports	175	255	18	12	19	20	203	-22.0
- Exports	631	711	66	54	65	83	809	26.3
- New Supply	718	801	74	66	52	51	676	-21.5
Paper Grades - Production	43,696	46,333	3,997	4,113	3,755	4,083	47,804	4.7
Chemical Pulp - Imports	4,104	4,220	271	424	363	403	4,760	16.1
- Exports	3,131	3,689	340	252	306	383	3,763	0.2
- New Supply	44,668	46,864	3,928	4,286	3,812	4,103	48,801	6.0
Groundwood and - Production	5,251	5,545	470	497	443	474	5,657	4.1
Thermo-Mech. - Imports	187	108	7	7	10	24	162	198.6
- Exports	29	59	2	1	1	5	27	-72.5
- New Supply	5,409	5,594	474	503	452	493	5,792	7.4
Semi-Chemical - Production	4,027	4,133	338	364	324	361	4,192	4.5
- Imports								
- Exports								
- New Supply	4,027	4,133	338	364	324	361	4,192	4.5
MARKET WOOD PULP								
Total Market - Production	6,800	7,567	694	668	595	686	7,795	5.4
Wood Pulp - Imports	2,791	3,048	213	220	224	288	2,927	-0.7
- Exports	3,784	4,470	479	296	359	444	4,396	-4.0
- New Supply	5,807	6,145	428	592	460	530	6,325	9.8
Dissolving Pulp - Production	1,172	1,251	122	107	98	113	1,273	3.3
- Imports	174	212	18	7	17	17	162	-27.2
- Exports	667	718	84	42	65	73	718	8.5
- New Supply	679	745	56	72	49	57	717	-9.6
Paper Grades - Production	5,613	6,303	570	560	495	572	6,508	5.9
Chemical Pulp - Imports	2,531	2,754	192	209	205	246	2,643	-4.5
- Exports	3,117	3,752	396	254	294	371	3,678	-6.1
- New Supply	5,028	5,305	366	515	406	447	5,473	11.4
Groundwood Pulp - Production	15	13	2	1	1	1	14	-5.4
and All Other - Imports	86	83	4	3	3	24	122	192.9
- Exports	1	0	0	0	0	0	0	0.0
- New Supply	100	96	5	4	4	26	136	140.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

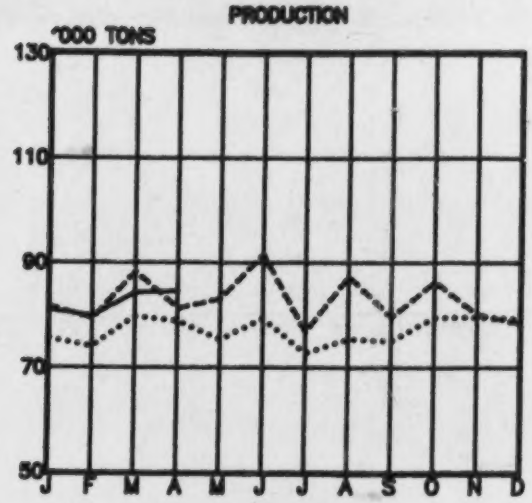
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	68,899	72,398	6,128	6,016	6,414	5,895	74,899	4.7
Total Wood Pulp	53,276	55,729	4,720	4,667	4,982	4,515	57,711	5.2
Waste Paper	15,623	16,670	1,408	1,349	1,432	1,380	17,188	3.2
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	165	174	176	175	174	183	198	37.8
Producers' Market Inventories	485	284	292	353	284	352	292	-21.4
Consumers' Purchased Inventories	492	569	527	553	569	530	573	4.0
Waste Paper at Paper & Bd. Mills	969	933	932	878	933	781	755	-12.7
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	16	21	16	20	16	-20.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

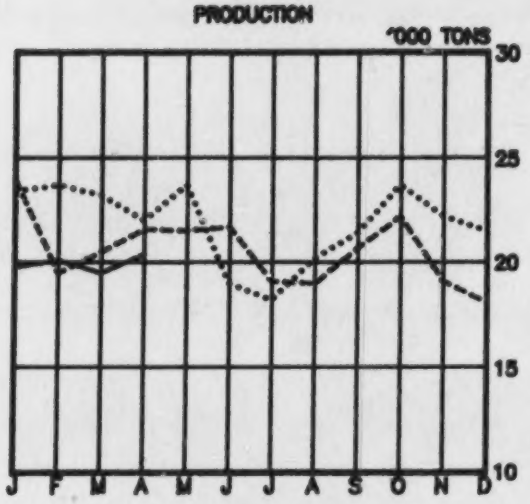
BLEACHED BRISTOLS

PRODUCTION



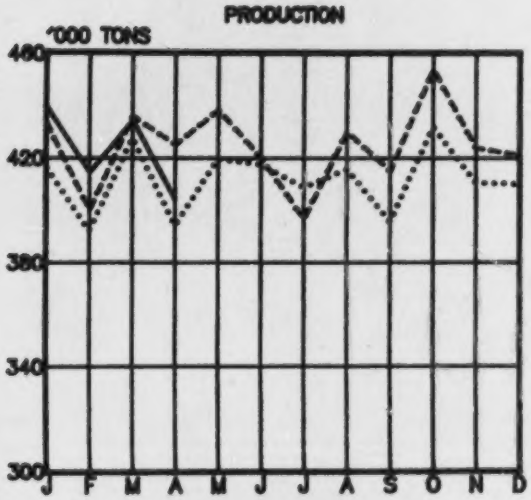
THIN PAPER

PRODUCTION



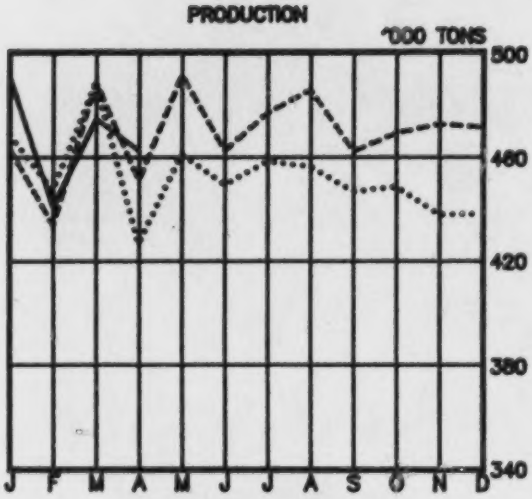
TISSUE PAPER

PRODUCTION



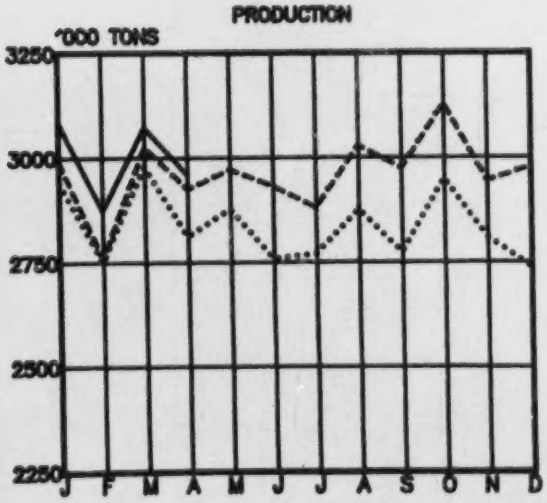
NEWSPRINT

PRODUCTION



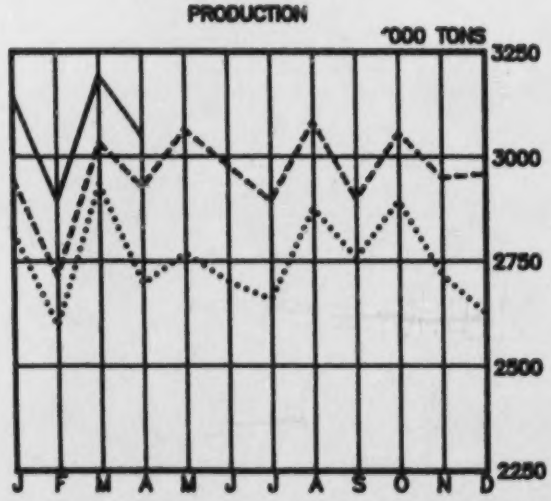
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



F I B R O U S R A W M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	DECEMBER 1986	JANUARY 1987	FEBRUARY 1987	MARCH 1987	Annual Rate Y T D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	Total Receipts	85 499	90 943	7 639	8 074	7 694	7 912	94 720	3 6
	- Total Consumpt	85.744	91 434	7 795	8.049	7.541	7 869	93 836	3.7
	Residues *	30 464	32 755	2 562	2 734	2 656	2 715	32 420	-0 3
	- Inventories	5 046	4 794	4.794	4 712	4.900	4 89ı	4 89ı	-10.0
So Atlantic	Total Receipts	27 589	29 513	2 5ı6	2 518	2 439	2 563	30 080	0 7
	- Total Consumpt	27 815	29.425	2.537	2.577	2 468	2.539	30 336	3 5
	Residues *	7 970	9.343	760	785	732	718	8 940	-3 2
	- Inventories	1.117	994	994	868	856	875	875	-29.6
Northeast	Total Receipts	7 430	7 277	636	686	664	618	7 872	1 1
	- Total Consumpt	7.394	7 227	599	666	613	612	7.564	-0.6
	Residues *	1.539	1.419	106	107	180	129	1 664	20 2
	- Inventories	544	484	484	495	542	535	535	-0.9
South Central	Total Receipts	29 786	31 790	2 685	2 851	2 630	2 874	33 420	5 2
	- Total Consumpt	29 914	32.113	2.806	2.801	2.622	2 804	32 908	4.1
	Residues *	9 207	9 792	834	891	801	869	10 244	7 3
	- Inventories	1 198	926	926	919	910	924	924	-27.8
North Central	Total Receipts	6 430	6 571	595	681	640	469	7 ı60	2 9
	- Total Consumpt	6.296	6.730	559	587	538	575	6 800	3 9
	Residues *	1 290	1 042	87	87	77	91	1 020	-7 6
	- Inventories	884	892	892	1.021	1.149	1.046	1 046	7.8
West	Total Receipts	14.264	15 792	1 207	1.338	1.321	1 388	16 188	7 3
	- Total Consumpt	14 325	15.939	1.294	1.418	1.300	1.339	16.228	5.5
	Residues *	10.458	11 159	775	864	866	908	10 552	-6.3
	- Inventories	1 303	1 498	1.498	1.409	1.443	1.511	1.511	7.9

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 22-May 87

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1986 $000 s	FEBRUARY Tons	1987 $000's	MARCH Tons	1987 $000's	Annual Rate Y T D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59.490	4.224	49	4	214	11	1 940	-88.6
Pulpwood chips	723.257	19.486	3.556	836	55 195	2.118	267.332	67.5
Wood Pulp, Total	3.949.414	1.422.180	361 903	147 410	368 725	151.649	4 620 180	30 5
Waste Fibrous Materials, Total	157.870	27.196	12.251	2.158	16 763	3,389	179.467	9.6
Paper, Board & Products, Total	9.963.486	4.467.761	824 653	384.678	898 436	424.440	10,641 258	8.6
Paper. Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9 842.154	4.268 820	812.870	365 839	884 394	400 345	10 485 800	8 2
Paper, Paperboard & Products	9.715 710	4.393.592	806,141	379.161	876.360	418.007	10,401.097	8 7
Paper & Paperboard, Only	9.594 378	4 194 651	794 358	360 321	862 318	393 911	10,245 639	8.4
Paper, Total	9,367.380	4,130,464	774,422	354.400	843.094	388,015	9,996.976	8.0
Newsprint	8.269.333	3.556.983	672 891	300.664	727.834	326.811	8.707.268	5.5
Printing, Writing & Rel. Pap.	868.628	457,685	79,402	42.572	91.736	48 894	1 008.278	25.6
Pack. & Ind. Conv. Paper	182.481	81,492	18 546	8 376	19.760	9 314	240 218	48.1
Special Industrial Paper	4.766	7.893	607	1.033	479	818	6.47ı	41.1
Tissue Paper	42 173	26.411	2.975	1.756	3.285	2.178	34 740	6.6
Paperboard, Total	226.998	64.187	19,936	5.920	19,224	5,896	248.663	24.6
Convtd Paper&Paperbd Products	121.332	198.941	11 783	18.840	14.042	24.096	155.458	37.1
Wet Machine Board	2.332	1.570	271	195	329	221	3.123	36.1
Construction Paper & Board	245 444	72.599	18 241	5.323	21.748	6.212	237 038	2 3

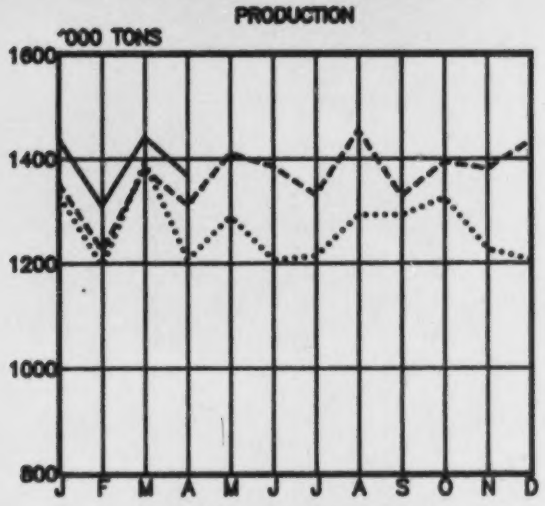
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	39 191	2.201	1.080	65	421	24	6 004	-53 6
Pulpwood chips	262.844	13 577	13,477	800	7,550	468	95,264	37.9
Wood Pulp, Total	262.353	76 591	15.850	6.079	18 208	7 711	188.040	-36 5
Cotton Pulp & Other Pulp	33.629	10.458	3,211	912	3.268	969	37.024	34.2
Waste Paper	226.215	23 254	16.283	1.665	24 754	2 516	243.612	38.4
Paper, Board & Products, Total	846.141	464.795	67,829	45.352	78.080	51,304	869 850	-9.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	691 355	315 820	52 358	30 747	61 110	34 440	677 049	-15 1
Paper, Paperboard & Products	816.282	452.239	65,373	44.168	75.520	50.022	839,336	-9.8
Paper & Paperboard, Only	661.496	303.265	49 902	29 564	58 549	33.158	646.535	-16.1
Paper, Total	278 911	200.168	23,570	19.378	23,742	20.704	308,218	-6.7
Newsprint	6 040	4 457	288	207	290	268	4 654	92 3
Printing, Writing & Rel. Pap.	121.167	99.480	12,150	9.248	12.071	10.049	146,068	20.2
Pack. & Ind Conv. Paper	25 614	16.467	2 468	1 428	1.852	1 644	26 326	-19.2
Special Industrial Paper	122.874	75.189	8,408	8.035	9.102	7,977	127,565	-25.5
Tissue Paper	3.217	4 577	256	461	428	766	3 605	38.8
Paperboard Total	382.584	103.096	26,332	10.186	34.807	12,453	338,318	-23.1
Convtd Paper&Paperbd Products	154.786	148 975	15 471	14 604	16 971	16 864	192.800	20.7
Wet Machine Board	10.728	4.638	723	414	748	335	10.846	72.9
Construction Paper & Board	19 132	7 918	1 733	769	1 812	947	19 668	-5.4

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 22 May-87

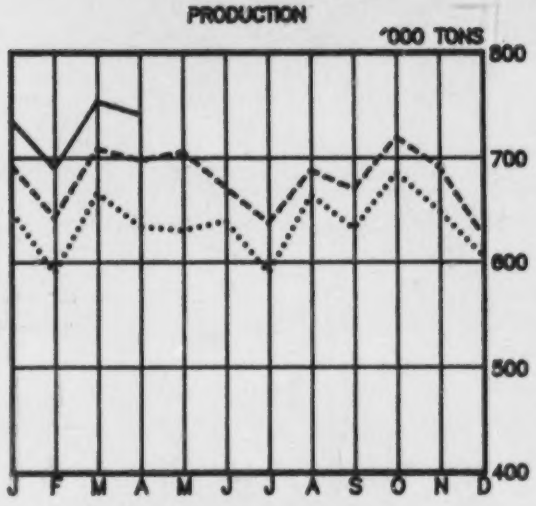
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



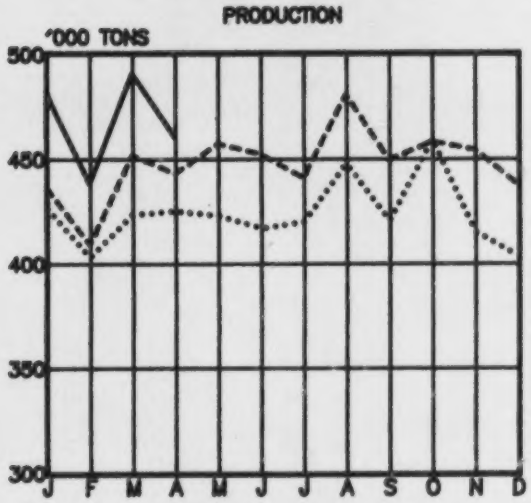
RECYCLED PAPERBOARD

PRODUCTION



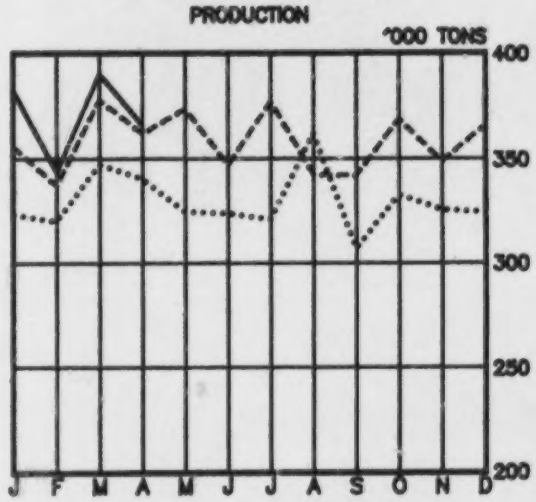
SEMICHEMICAL PAPERBOARD

PRODUCTION



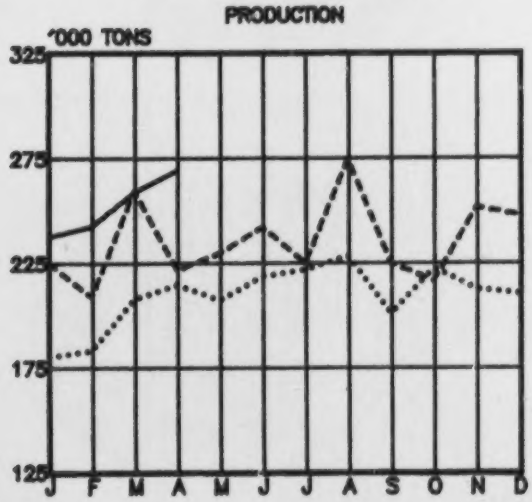
SOLID BLEACHED PAPERBOARD

PRODUCTION



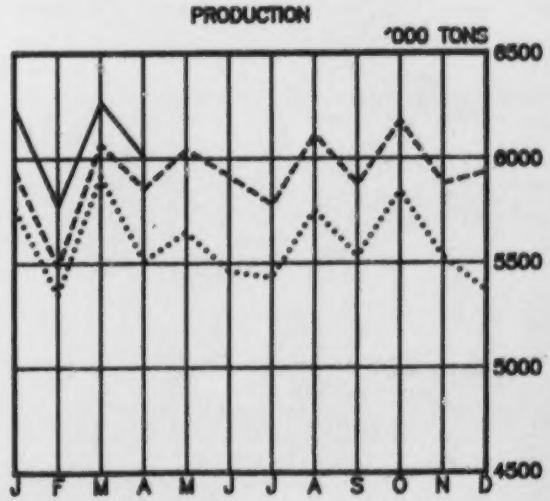
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ..... 1986 -----1987 ——

I M P O R T S

	YEAR Tons	1986 $000	1987 FEBRUARY Tons	1987 FEBRUARY $000	1987 MARCH Tons	1987 MARCH $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,563	49	4	214	11	2 044	-88.0
Pulpwood Chips	724,828	19,642	33,618	847	55,595	2,160	389,408	-52.9
Total All Imports	16,722,494	7,674,736	1,399,368	687,593	1,556,796	764,075	18,050,824	10.8
Wood Pulp Total	4,581,760	1,601,378	391,567	159,954	447,154	181,266	5,125,096	16.1
Waste Paper	99,313	11,182	8,013	1,080	10,821	1,707	106,876	16.0
Other Fibrous Materials	104,969	26,326	5,224	1,766	7,543	2,713	86,797	-13.5
Paper Board & Products Total	11,936,452	6,035,850	994,564	524,793	1,091,279	578,389	12,730,055	8.9
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	960,194	452,220	1,054,479	496,612	12,308,966	8.5
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,928,457	969,788	516,809	1,062,623	569,393	12,411,829	9.1
Paper & Paperboard Only	11,206,901	5,139,735	935,618	444,236	1,025,824	487,616	11,990,740	8.6
Paper Total	10,925,453	5,051,917	903,518	433,745	999,825	479,038	11,598,796	7.3
Newsprint	8,587,507	3,682,351	696,106	310,385	758,845	339,411	8,988,568	5.1
Printing & Writing	2,029,302	1,179,802	174,626	104,491	208,333	119,489	2,214,110	13.7
Uncoated Groundwood	1,028,231	531,149	95,555	49,790	115,814	58,421	1,159,423	20.2
Coated Print.& Impreg. Pap.	501,382	359,495	47,883	34,415	49,849	35,394	582,933	28.7
Uncoated Free Sheet	453,638	254,627	27,678	16,928	36,215	21,337	407,418	-15.9
Uncoated Book	223,798	126,278	13,601	7,641	17,916	10,476	184,856	-23.3
Writing and Similar Paper	229,841	128,349	14,077	9,288	18,299	10,861	222,561	-8.5
Thin (except Cigarette)	45,351	33,831	3,432	3,279	6,413	4,296	63,520	40.3
Bristols	700	700	77	79	41	42	816	104.9
Total Pkg & Other Paper	242,571	146,212	27,971	15,567	29,158	17,415	343,237	44.5
Unbleached Kraft Paper	115,008	42,650	13,441	5,501	15,031	6,071	176,852	101.4
Other Pkg. & Indust. Paper	127,562	103,562	14,530	10,067	14,127	11,344	166,385	11.1
Tissue	66,073	43,552	4,816	3,302	3,489	2,723	52,881	-24.3
Paperboard, Total	281,448	87,818	32,099	10,490	25,999	8,579	391,944	66.8
Test or Containerboard	78,063	25,596	7,037	2,372	7,056	2,438	90,030	20.9
Semi-Chemical Corrugating	99,062	22,092	10,507	2,728	8,926	2,520	121,969	56.3
Other Paperboard	104,324	40,130	14,555	5,391	10,017	3,621	179,945	118.1
Convtd Paper&Paperbd Products	389,907	788,721	34,171	72,572	36,799	81,777	421,089	24.6
Paper Products, Total	361,517	730,257	31,371	67,272	33,405	75,222	384,500	23.1
Paperboard Products, Total	28,390	58,464	2,800	5,301	3,394	6,555	36,590	43.2
Wet machine Board	3,235	2,525	311	246	381	277	3,596	-16.6
Construction Paper & Board	336,409	104,868	24,466	7,738	28,275	8,719	314,630	3.6
Notes								
Other: No Weight Avail. ($000)		212,338		15,822		20,291	206,150	8.1
Total Imports Incl. Other($000)		7,887,074		703,415		784,366	8,995,562	19.9

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	42,190	2,373	2,000	106	421	24	9,684	-52.8
Pulpwood Chips	2,428,333	170,022	212,688	14,988	159,926	11,890	1,974,952	-2.7
Total All Exports	13,196,245	4,694,705	1,120,592	447,153	1,297,892	524,140	13,928,989	8.2
Wood Pulp,Total	4,458,312	1,662,466	371,753	164,890	471,448	210,972	4,598,096	2.3
Cotton Pulp and Other Pulp	157,452	72,500	11,078	6,388	12,469	5,854	147,504	-24.0
Waste and Old Paper	3,748,711	411,076	315,135	38,187	378,841	49,661	4,069,820	13.5
Paper, Board & Products,Total	4,831,770	2,548,663	422,626	237,788	435,134	257,652	5,113,569	11.0
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,305,273	1,862,874	368,522	171,491	375,936	183,613	4,441,014	8.1
Paper, Ppbd & Prod ex Cnst&WMB	4,737,728	2,496,766	415,118	233,895	427,218	252,611	5,008,586	11.1
Paper & Paperboard, Only	4,211,231	1,810,976	361,014	169,570	368,020	178,572	4,338,030	8.4
Paper, Total	883,662	642,597	67,183	56,227	74,253	63,057	863,003	0.6
Newsprint	392,228	194,549	27,944	15,945	28,552	16,730	341,575	9.8
Printing & Writing	190,656	185,271	17,161	16,742	18,870	19,617	211,836	4.2
Uncoated Groundwood	40,847	28,947	3,037	2,198	4,810	3,519	48,357	-7.0
Clay Coated Paper	78,248	57,856	7,229	5,073	6,947	5,317	82,907	-1.2
Uncoated Free Sheet	50,140	71,354	4,564	6,842	4,538	7,630	55,187	6.1
Other Printing & Writing	21,420	27,114	2,330	2,629	2,575	3,152	25,384	64.7
Total Pkg. & Other Paper	284,021	241,426	20,760	21,880	25,251	24,409	291,838	-11.4
Unbleached Kraft	78,248	32,009	6,119	2,730	8,987	3,947	84,764	32.6
Other Pkg. & Indust. Paper	205,773	209,417	14,642	19,150	16,264	20,461	207,074	-22.0
Tissue	16,758	21,351	1,319	1,660	1,579	2,301	17,754	30.6
Paperboard, Total	3,327,568	1,168,379	293,831	113,344	293,767	115,515	3,475,028	10.5
Solid Wood Pulp	3,007,372	1,084,112	277,229	106,189	273,102	107,621	3,237,146	16.5
Total Linerboard	2,195,951	642,137	208,763	59,033	190,048	66,528	2,298,508	13.6
Bleached Kraft Linerboard	133,787	51,448	3,417	2,358	3,215	1,585	41,546	-69.8
Unbleached Kraft Linerbd	2,062,164	590,688	205,346	66,674	186,833	64,943	2,256,962	19.6
Other Unbleached Kraft	157,614	57,548	11,668	4,251	22,927	8,115	220,801	62.8
Other Bleached Kraft	577,166	362,715	52,045	31,418	55,370	31,213	646,178	21.9
Semi-Chemical Corrugating	76,641	21,713	4,752	1,487	4,757	1,766	71,659	-20.6
Recycled Paperboard	320,196	84,268	16,602	7,154	20,665	7,894	237,882	-34.8
Convtd Paper&Paperbd Products	526,497	685,789	54,104	64,325	59,198	74,039	670,555	32.9
Paper Products, Total	240,171	456,429	22,248	41,540	25,251	49,684	276,390	24.0
Paperboard Products, Total	286,327	229,360	31,856	22,784	33,947	24,355	394,165	40.0
Wet Machine Board	18,893	7,259	1,560	735	1,229	534	20,499	30.5
Construction Paper & Board E	75,149	44,639	5,948	3,158	6,688	4,507	84,484	1.6
Notes								
Other: No Weight Avail. ($000)		7,298		519		761	7,028	-12.3
Total Exports Incl. Other($000)		4,702,003		447,671		524,901	5,538,756	28.9

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	JANUARY 1987	FEBRUARY 1987	MARCH 1987	APRIL 1987	Annual Rate Y T-D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	303.4	306.6	307.3	309.2	306.6	6.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	305.2	308.4	308.9	310.7	308.3	5.7
Total Wood Pulp	346.6	358.7	397.1	396.1	407.4	411.9	403.1	19.9
Total Paper	303.4	306.3	315.2	318.1	312.9	315.3	315.4	4.5
Total Paper, exc. Newsprint	298.8	300.4	309.0	310.3	302.3	301.0	305.7	3.2
Newsprint	332.9	326.1	340.5	343.3	342.2	342.7	342.2	5.5
Total Paperboard	274.6	271.9	286.0	290.2	292.6	295.8	291.2	9.4
Total Paper and Paperboard *	294.4	295.4	306.0	309.4	306.5	309.2	306.0	5.9
Converted Products	288.1	289.3	295.8	298.8	300.7	301.5	299.2	4.5
Waste Paper	148.8	172.8	194.6	201.5	213.3	218.8	207.1	50.0
All Commodities	308.9	299.8	300.9	302.7	302.8	305.1	300.9	0.0
Industrial Commodities	324.0	312.1	313.6	315.7	315.8	317.4	315.6	-0.5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

BTU DISTRIBUTION OF PAPER INDUSTRY ENERGY CONSUMPTION
(% distribution of total BTU's)

	1972	1985	1986
Purchased Electricity	4.4%	6.6%	6.4%
Coal	10.7	15.3	14.9
Residual Fuel Oil	21.2	6.8	8.2
Distillate Fuel Oil	1.0	0.4	0.3
Natural Gas	21.0	14.0	12.5
Other	1.3	1.1	1.0
Total Purchased	59.6%	44.2%	43.3%
Wood Residues	2.0%	11.2%	11.1%
Bark	4.5	5.6	5.7
Spent Pulping Liquors	33.4	38.3	39.2
Self-Generated Hydropower	0.5	0.4	0.4
Other	---	0.3	0.3
Total Self-Generated	40.4%	55.8%	56.7%

Source: API Energy and Materials Department

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

MAY 29, 1987

PRODUCTION (000 TONS)

	APRIL	MARCH	APRIL	FIRST FOUR MONTHS		% CHANGE YR TO DATE
	1987	1987	1986	1987	1986	1987/1986
PAPER GRADES						
Newsprint	462	475	451	1,868	1,837	1.7
Printing & Writing	1,670	1,719	1,606	6,686	6,432	4.0
Uncoated Groundwood (s)	121	132	129	516	510	1.2
Coated Paper (s)	539	546	510	2,182	2,023	7.9
Uncoated Free Sheet Paper (s)	892	922	850	3,525	3,431	2.7
Thin Paper (s)	20	20	22	80	86	-6.6
Cotton Fiber Paper (s)	12	15	13	54	51	4.4
Bleached Bristols (s)	85	84	81	329	330	-0.3
Tissue Paper	404	435	425	1,692	1,695	-0.2
Total Pkg & Other Paper	424	445	444	1,742	1,736	0.3
Unbleached Kraft Packaging & Indl. Converting (s)	265	274	288	1,078	1,128	-4.4
Other Paper	159	171	156	664	609	9.1
TOTAL PAPER	2,960	3,073	2,925	11,989	11,700	2.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,482	1,559	1,424	6,012	5,706	5.3
Unbleached Kraft Linerboard	1,368	1,422	1,312	5,537	5,270	5.1
Other Unbl. Kraft Paperboard	114	137	112	475	436	8.9
Semichemical Paperboard	460	491	443	1,871	1,741	7.5
Bleached Paperboard	366	390	361	1,480	1,431	3.5
Recycled Paperboard	741	754	697	2,919	2,739	6.5
TOTAL PAPERBOARD	3,049	3,194	2,926	12,282	11,617	5.7
TOTAL PAPER AND PAPERBOARD	6,009	6,267	5,851	24,271	23,317	4.1

	MARCH	FEBRUARY	MARCH	FIRST THREE MONTHS		% CHANGE YR TO DATE
	1987	1987	1986	1987	1986	1987/1986
WOOD PULP (ALL GRADES)						
Dissolving & Special Alpha	114	98	109	320	310	3.2
Bleached Sulfite	108	99	114	322	345	-6.7
Unbleached Sulfite	13	13	14	40	42	-5.0
Bleached & Semi-Bl. Sulfate	2139	1984	2045	6268	5967	5.0
Unbleached Sulfate	1823	1659	1751	5321	5064	5.1
Semichemical	361	324	346	1048	1003	4.5
Groundwood & Thermomechanical	474	443	466	1414	1359	4.1
TOTAL PULP DIVISION DATA	5031	4621	4844	14734	14090	4.6

(s) - Shipments R - Revised
P - Preliminary

May 29, 1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	February	March	April	1987	
Total Production (API).....: excluding :...	67,076	71,044	5768	6268	6009	72,813	4.1
Total Seasonally Adjusted....:construction:...			6077	5895	6006	72,367	4.1
Imports (including Products).: and wet :..E	11,106	11,597	970	1063	1000	12,309	10.9
Exports (including Products).: machine :..E	4,009	4,738	415	427	420	5,016	9.0
Apparent Consumption.....: grades :...	74,173 a	77 903 b	6,632	6,531	6 586	79,659 c	4.8
Paper Production % Tonnage Capacity.....	90.6 g	93.3 g	94.8	91.6	90.0	92.6 gh	-
Paperboard Production % Tonnage Capacity.....	90.0 g	94.6 g	98.3	98.3	96.2	97.5 g	-
			January	February	March		
IMPORTS.....:Including Construction and :...	11,521	11,936	1097	995	1091	12,730	8.9
EXPORTS.....: WMB Grades (excl. HPB) :...	4,077	4,832	421	423	435	5,113	11.0
			January	February	March		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6,797	7,585	668	595	686	7,794	5.4
TOTAL WOOD PULP PRODUCTION - Tons (000).....	54,141	57,277	5082	4621	5031	58,936	4.6
WOOD PULP IMPORTS - TONS (000).....	4,466	4,582	443	392	447	5,125	16.1
WOOD PULP EXPORTS - TONS (000).....	3,791	4,458	306	372	471	4,598	2.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			January	February	March		
Wood Pulp.....:consumption for:.....	53,276	55,746	4667	4982	4515	56,656	3.2
Waste Paper.....:construction & :.....	15,623	16,670	1349	1432	1380	16,644	-0.1
TOTAL.....: WMB grades :.....	68,899	72,416	6016	6414	5895	73,300	2.5
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	8049	7541	7869	93,836	3.7
EMPLOYMENT (000)			January	February	March		
Paper and Allied Products.....Total.....	683.2	690.0	690.3	689.7	691.6	691.1	1.0
Pulp, Paper and Board Mills.....Total.....E	257.7	252.2	251.1	250.8	250.2	251.0	-0.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	10.82	11.14	11.17	11.18	11.18	11.21	1.7
Pulp, Paper Mills.....E	13.11	13.58	13.60	13.57	13.63	13.63	2.0
Paperboard Mills.....E	13.60	14.01	14.00	14.03	14.03	14.04	1.4
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q4	1987 Q1	1987 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.76	8.69	8.69	8.69	8.51 y	-2.9
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			February	March	April		
:IN PULP, PAPER :...Production Workers.....	123.6	132.8	137.2	136.2	137.9	137.5	5.9
:AND BOARD MILLS:...All Employees.....	122.2	132.0	137.0	135.8	137.5	137.4	6.2
PAPER AND ALLIED PRODUCTS (Million $)			February	March	April		
Industry Shipments (Dept. of Commerce)*.....	97,664	109,582	9,485	9,426	9,512	113,097	8.6
Pulp, Paper and Paperboard*.....	41,830	46,632	4,044	3,990	4,056	48,678	10.9
Inventories (End of Period) - Total Industry*..	9,728	10,250	10,684	10,837	10,812	10,812	10.7
Pulp, Paper and Paperboard*.....	3,800	4,078	4,166	4,172	4,188	4,188	6.7
			1986 Q2	1986 Q3	1986 Q4		
Sales (Corporations Only).....	71,465	74,896	18,470	18,904	19,947	N.A.	N.A
Earnings (Corporations Only).....	2,880	3,293	922	824	958	N.A.	N.A
Depreciation (Corporations Only).....	3,099	3,389	843	843	883	N.A.	N.A
Net Worth (Corporations Only).....	29,694	31,254	30,646	31,075	31,254	N.A.	N.A
PRICE INDEXES (Bureau of Labor Stats)1967=100			February	March	April		
Pulp, Paper & Products, ex. Building Grades....	292.0	294.0	306.6	307.3	309.2	306.6	6.1
Wood Pulp.....	346.6	358.3	396.1	407.4	411.9	403.1	19.9
Waste Paper.....	148.8	172.8	201.5	213.3	218 8	207.1	50.0
Paper.....	303.4	306.3	318.1	312.9	315.3	315.4	4.5
Paperboard.....	274 6	272.2	290.2	292.6	295.8	291.2	9.4
PAPER DEMAND (INDEXED: 1977=100)			February	March	April		
Total Paper Production *.....	123.0	128.3	129.6	126.1	128.5	128.8	2.5
Paper New Supply *.....	128.8	134.0	135.0	135.2	138.8	137.0	5.0
Demand Indicators - (Weighted Average) *.....	141.6	148.8	151.7	152.4	152.0	152.0	4.1
Production of Nondurable Goods *...(21.2%)..	125.3	130.9	134.3	134.3	134.3	134.3	4.2
Disposable Income .....*.(23.9%)	126.8	131.4	132.7	132.3	128.7	131.1	0.4
Total Printing and Publishing *...(54.9%)..	154.3	163.3	166.6	168.1	169.0	168.0	5.5
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	114.3	122.9	127.8	123.7	126.0	126.7	5.7
Production for Domestic Use	112.8	120.8	125.7	120.6	122.6	124.1	5.4
Demand Indicators - (Weighted Average) *.....	120.1	122.1	124.5	124.1	123.3	124.0	1.9
Production of Consumer Goods *...(62.06%)	120.5	124.5	127.5	127.0	125.9	126.8	2.8
Production of Equipment *... (5.75%)	146.4	142.8	144.9	144.2	143.6	143.9	-0.3
Production of Materials *...(32.19%)	114.5	113.9	115.0	114.8	114.7	114.9	0.5
Trend Factor			Not Available				
NEWSPRINT MARKETS			January	February	March		
Consumption by Publishers - Tons (000).....	12,773	13,157	1,001	1,000	1,140	12,562	1.6
Newspaper Pub. and Printing Empl. Total(000)...	454	461	461	461	461	461	0.3
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	155,545	153,088	9,000	12,028	13,384	137,649	-2.8
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	34,635	38,536	3,489	3,480	3,793	43,048	16.0
Inventories (End of Period).	3,087	3,411	3,573	3,560	3,505	3,505	10.6
FIBRE BOX DATA (Fibre Box Association)			February	March	April		
Fibre Box Shipments (Million square feet).....	267,451	283,921	22,810	24,773	25,591	293,688	4.1
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,391	2,414	2,360	2,360	-3.2
RETAIL TRADE (Million $)			February	March	April		
Total Retail Sales *.....	1,372,853	1,445,568	124,280	125,225	125,384	1,480,404	5.2
Nondurable Goods Stores Sales *.....	859,316	882,505	76,195	76,889	77,343	915,720	4.3
GENERAL ECONOMIC DATA			February	March	April		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	127.1	126.8	126.3	126.7	1.4
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	302.7	302.8	305.1	302.9	0.0
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	334.4	335.9	337.7	335.3	2.6
			January	February	March		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	580.6	575.3	574.1	574.1	8.0
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1986 Q3	1986 Q4	1987 Q1		
G.N.P. or Expenditure - Current $.....	3,998	4,206	4,241	4,259	4,348	4,348	4.8
G.N.P. or Expenditure - 1982 $.....	3,585	3,675	3,686	3,696	3,736	3,736	2.2

lb/capita

Pap&Papbd Othr Totl Popul(mil)

.a - 620 + 18 = 638 239.3

.b - 645 + 17 = 662 241.5

.c - 652 + 17 = 669 244.5

.9 - estimated by API

i - Wood Pulp Production excludes del., explo. & scthgs.

g - Adjusted for holiday shutdowns

j - Census unpublished data; standard dev. = 6-8%

h - Adjusted to Conform with API Division data

j - Census unpublished data; standard dev. = 6 - 8%

Q - Quarter

R - Revised

y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

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compares to the 2.7% gain in the real gross national product. The ratio of new supply to real GNP was about 21,400 tons per billion dollars, which matched 1987's ten-year-high. However, the ratio declined in 1985 and rose in 1986. Over the short term of the past two years, paper demand has been rising faster than that of the economy as a whole; over the longer term of the past 12 years, paper demand has been fluctuating about a trend that has been risisng slightly faster than that of total economic activity.

While the sharp decline in the value of the dollar from its early 1985 peak has had a positive stimulus on exports of paper, paperboard and wood pulp, it has served only to slow the growth of imports. However, while the percentage growth in imports of paper and paperboard from May 1981, a time-of a comparatively low-valued dollar, to the first quarter of 1987 has been relatively large, the tonnage gains provide a better prospective. Where the first quarter 1987 rate of imports was 4.5 million tons ahead of the 1981 rate, exports were up about 450,000 tons while the rate of domestic production rose more than 10 million tons.

FIBROUS MATERIALS

U.S. production of chemical paper grade market pulp was at an annual rate of 6.5 million short tons during the first four months of 1987, 7.3% above its year-ago pace. As a result of this strong performance, market pulp mills operated at 104% of their reported capacity through April of this year, versus 97% during the same period in 1986.

U.S. shipments of chemical grade market pulp exceeded their year-ago pace by 0.5% during the first four months of 1987, but the distribution of that growth was highly uneven. Shipments to the domestic market advanced 4.1%, while exports through April were off 2%, following a spectacular 20% advance from 1985 to 1986. On a regional basis, market pulp exports to Japan gained 1% during the first four months of 1987, while U.S. shipments to Western Europe (including the U.K.) weakened 1%. Total exports to all other markets were off 5%.

In the first four months of 1986 shipments of chemical paper grade market pulp exceeded production by 121,000 tons, resulting in a corresponding reduction in inventories. This continued the sharp trend of inventory reductions that started in mid-1985. Inventories bottomed out at the end of 1986 and increased 15,400 tons during the first four months of 1987. (See lower table on page 9.)

First quarter 1987 wood pulp production exceeded its year-ago total by 4.6%. However, new supply was up by 5.6%, reflecting a 16.1% increase in imports with only a 2.3% advance in imports. New supply of paper grade wood pulp

rose 6.0% in this period, which compares well with the 4.5% increase in paper and paperboard production.

ENERGY EFFICIENCY IN THE PAPER INDUSTRY

The U.S. paper industry achieved further strides in energy self-sufficiency last year, even though fuel prices moved sharply below their 1985 levels. According to API's Energy and Materials Department, self-generated and residue sources of energy accounted for 56.7% of the paper industry's total energy consumption in 1986, up from 55.8% in 1985 and 40.4% in 1972. (See table on page 10.)

Spent pulping liquors constitute the paper industry's leading source of energy. Because the kraft pulping process has gained in relative importance over the years, the share of the industry's energy supply attributable to spent pulping liquors increased from 33.4% in 1972 to 38.3% in 1985 and 39.2% last year. Bark and wood residues collectively accounted for 16.8% of the industry's energy requirements in 1986, the same proportion as in 1985, but dramatically higher than the 6.5% share they represented in 1972. (See table on page 10.)

Coal ranks third after spent pulping liquors and wood/bark as an energy source to the paper industry, and it is the industry's leading purchased fuel on a BTU basis. Coal accounted for 14.9% of the paper industry's total BTU consumption in 1986, which was slightly below the 15.3% share it represented in 1985, but still well above the 10.7% share registered in 1972. Coal consumption by the paper industry has been growing at an average rate of approximately 5% a year since 1976.

The industry's use of residual fuel oil increased from a 6.8% share in 1985 to 8.2% in 1986. Residual fuel oil accounted for 21.2% of the industry's energy needs in 1972, the year prior to the first oil shock. Many paper companies utilized their dual fuel capabilities last year to take advantage of relative changes in fuel costs. Because of fuel oil's price advantage with respect to natural gas, gas consumption declined from 14% of the industry's energy needs in 1985 to 12.5% last year.

Purchased electricity filled 6.4% of the industry's energy requirements in 1986, down from 6.6% the year before. However, in terms of cost it represented more than 45% of the industry's $4.2 billion in outlays for purchased energy. In addition to being a major consumer of purchased energy, the paper industry is also the nation's largest cogenerator and self-generator of electricity, accounting for about 35% of the total installed base of U.S. cogeneration capacity. Some 50% of the paper industry's electricity needs are being met by self-generation and that percentage is expected to increase during the next five years.